



DEPARTMENT OF COMMERCE

International Trade Administration

[A-821-835]

Emulsion Styrene-Butadiene Rubber from the Russian Federation: Final Affirmative Determination of Sales at Less Than Fair Value and Classification of the Russian Federation as a Non-Market Economy

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) determines that imports of emulsion styrene-butadiene rubber (ESBR) from the Russian Federation (Russia) are being, or are likely to be, sold in the United States at less than fair value (LTFV) for the period of investigation (POI) October 1, 2020, through September 30, 2021. Commerce has also reconsidered Russia's market economy status and has determined to treat Russia as a non-market economy in forthcoming proceedings.

DATES: Applicable [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Caitlin Monks or Zachary Le Vene, AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-2670 or (202) 482-0056, respectively.

SUPPLEMENTARY INFORMATION:

Background

On June 27, 2022, Commerce published in the *Federal Register* the preliminary affirmative determination in the LTFV investigation of ESBR from Russia, in which it also postponed the final determination until November 9, 2022.¹ We invited interested parties to

¹ See *Emulsion Styrene-Butadiene Rubber from the Russian Federation: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Postponement of Final Determination and Extension of Provisional Measures*, 87 FR 38057 (June 27, 2022) (*Preliminary Determination*), and accompanying Preliminary Decision Memorandum.

comment on the *Preliminary Determination*. A summary of the events that occurred since Commerce published the *Preliminary Determination* may be found in the Issues and Decision Memorandum.²

Scope of the Investigation

The product covered by this investigation is ESBR from Russia. For a complete description of the scope of this investigation, *see* Appendix I.

Analysis of Comments Received

All the issues raised in the case and rebuttal briefs that were submitted by parties in this investigation are addressed in the Issues and Decision Memorandum. A list of the issues addressed in the Issues and Decision Memorandum is attached to this notice as Appendix II. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

Verification

Commerce conducted verification of the information relied upon in making its final determination in this investigation with respect to Public Joint Stock Company SIBUR Holding, Joint Stock Company Voronezhskintezkauchuk, SIBUR LLC, and SIBUR International GmbH (collectively, SIBUR) in Vienna, Austria,³ as well as Public Joint Stock Company TATNEFT, LLC TATNEFT-AZS Center, LLC Togliattikauchuk (alternatively, LLC Tolyattikauchuk), and Tolyattisintez (collectively, TATNEFT) in Zug, Switzerland, in accordance with section 782(i)

² See Memorandum, "Decision Memorandum for the Final Determination in the Less-Than-Fair-Value Investigation of Emulsion Styrene-Butadiene Rubber from the Russian Federation, and Classification of the Russian Federation as a Non-Market Economy" dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

³ See Memoranda, "Less-Than-Fair-Value Investigation of Emulsion Styrene-Butadiene Rubber from the Russian Federation: Verification of Sales Responses of SIBUR," dated October 5, 2022; and "Verification of the Cost Responses of PJSC SIBUR Holding and JSC Voronezhskintezkauchuk in the Antidumping Duty Investigation of Emulsion Styrene-Butadiene Rubber from the Russian Federation," dated September 23, 2022.

of the Tariff Act of 1930, as amended (the Act).⁴ Specifically, Commerce conducted on-site verifications of the home market, U.S. sales, and cost of production responses submitted by SIBUR and TATNEFT.

Changes Since the Preliminary Determination

Based on our analysis of the comments received, we have made certain changes to the margin calculations for SIBUR and TATNEFT. For a discussion of these changes, *see* the Issues and Decision Memorandum.

All-Others Rate

Section 735(c)(5)(A) of the Act provides that the estimated weighted-average dumping margin for all other producers and exporters not individually investigated shall be equal to the weighted average of the estimated weighted-average dumping margins established for exporters and producers individually investigated excluding rates that are zero, *de minimis*, or determined entirely under section 776 of the Act (*i.e.*, facts otherwise available).

Commerce calculated individual estimated weighted-average dumping margins for both SIBUR and TATNEFT, the two respondents selected for individual examination in this investigation, that are not zero, *de minimis*, or based entirely on facts otherwise available. Commerce calculated the all-others rate using a weighted average of the estimated weighted-average dumping margins calculated for the individually examined respondents using the publicly ranged total values of each respondent's sales of the merchandise under consideration to the United States during the POI.⁵

⁴ See Memoranda, "Less-Than-Fair-Value Investigation of Emulsion Styrene-Butadiene Rubber from the Russian Federation: Verification of Sales Responses of SIBUR," dated October 5, 2022; "Verification of the Cost Responses of PJSC SIBUR Holding and JSC Voronezhskintezkauchuk in the Antidumping Duty Investigation of Emulsion Styrene-Butadiene Rubber from the Russian Federation," dated September 23, 2022; and "Verification of the Sales Response of TATNEFT in the Antidumping Investigation of Emulsion Styrene-Butadiene Rubber from the Russian Federation," dated September 30, 2022; and "Verification of the Cost Response of PJSC TATNEFT and LLC Tolyattikauchuk in the Antidumping Duty Investigation of Emulsion Styrene-Butadiene Rubber from Russia," dated October 6, 2022.

⁵ With two respondents under examination, Commerce normally calculates: (A) a weighted-average of the estimated weighted-average dumping margins calculated for the examined respondents; (B) a simple average of the estimated weighted-average dumping margins calculated for the examined respondents; and (C) a weighted-average of the estimated weighted-average dumping margins calculated for the examined respondents using each company's

Final Determination

The final estimated weighted-average dumping margins are as follows:

Exporter/Producer	Estimated Weighted-Average Dumping Margin (percent)
Public Joint Stock Company SIBUR Holding / Joint Stock Company Voronezhskintezkauchuk / SIBUR International GmbH / SIBUR LLC ⁶	17.47
Public Joint Stock Company TATNEFT / LLC TATNEFT-AZS Center / LLC Togliattikauchuk / Tolyattisintez ⁷	8.15
All Others	11.90

Russia's Market Economy Status

For this final determination, Commerce has reconsidered Russia's market economy status and has determined to treat Russia as a non-market economy in forthcoming proceedings. Because this determination applies to future proceedings, Commerce has relied on its market economy methodology in determining the antidumping duty margins for this final determination. A detailed explanation for this determination along with discussion of all comments and factual information submitted concerning this determination can be found in the decision memorandum, "Reconsideration of Russia's Status as a Market Economy," issued concurrently with this memorandum.

For new segments of antidumping duty proceedings with a POI or period of review (POR) starting after November 1, 2022, Commerce will use its non-market economy

publicly-ranged U.S. sale values for the merchandise under consideration. Commerce then compares (B) and (C) to (A) and selects the rate closest to (A) as the most appropriate rate for all other producers and exporters. *See Ball Bearings and Parts Thereof from France, Germany, Italy, Japan, and the United Kingdom: Final Results of Antidumping Duty Administrative Reviews, Final Results of Changed-Circumstances Review, and Revocation of an Order in Part*, 75 FR 53661, 53663 (September 1, 2010). For a complete analysis of the data, *see* Memorandum, "Final Determination Calculation for All-Others," dated concurrently with this notice.

⁶ Commerce determines that Public Joint Stock Company SIBUR Holding (SIBUR Holding) / SIBUR International GmbH (SIBUR International) / SIBUR LLC / Joint Stock Company Voronezhskintezkauchuk (VSK) are a single entity. *See* Issues and Decision Memorandum; *see also* Memorandum, "SIBUR Affiliation and Single Entity Memorandum," dated June 14, 2022; and Memorandum, "SIBUR Final Analysis Memorandum," dated concurrently with this notice.

⁷ Commerce determines that Public Joint Stock Company TATNEFT, LLC TATNEFT-AZS Center / LLC Togliattikauchuk / and Tolyattisintez are a single entity. *See* Issues and Decision Memorandum; *see also* Memorandum, "TATNEFT Affiliation and Single Entity Memorandum," dated June 14, 2022.

methodology to calculate the antidumping duty rates. If the POI or POR falls entirely before November 1, 2022, Commerce will use its market economy methodology to calculate the rates. Finally, if the POI or POR straddles the time periods where Commerce considered Russia to be a market and non-market economy country, Commerce will determine the appropriate approach to follow on a case-by-case basis.

Disclosure

We intend to disclose the calculations and analysis performed to interested parties in this final determination within five days of public announcement or, if there is no public announcement, within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b).

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, Commerce will instruct U.S. Customs and Border Protection (CBP) to continue to suspend the liquidation of all appropriate entries of subject merchandise, as described in Appendix I of this notice, entered, or withdrawn from warehouse, for consumption on or after June 27, 2022, the date of publication in the *Federal Register* of the affirmative *Preliminary Determination*. These suspension of liquidation instructions will remain in effect until further notice.

Pursuant to section 735(c)(1)(B)(ii) of the Act and 19 CFR 351.210(d), we will instruct CBP to require a cash deposit for estimated antidumping duties for such entries as follows: (1) the cash deposit rate for the companies listed above will be equal to the company-specific estimated weighted-average dumping margins determined in this final determination; (2) if the exporter is not a company identified above, but the producer is identified above, then the cash deposit rate will be equal to the company-specific estimated weighted-average dumping margin established for that producer of the subject merchandise; and (3) the cash deposit rate for all other producers and exporters will be equal to the all-others estimated weighted-average dumping margin.

U.S. International Trade Commission Notification

In accordance with section 735(d) of the Act, we will notify the U.S. International Trade Commission (ITC) of the final affirmative determination of sales at LTFV. Because Commerce's final determination is affirmative, in accordance with section 735(b)(2) of the Act, the ITC will make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports or sales (or the likelihood of sales) for importation of ESBR no later than 45 days after this final determination. If the ITC determines that such injury does not exist, this proceeding will be terminated, and all cash deposits posted will be refunded and suspension of liquidation will be lifted. If the ITC determines that such injury does exist, Commerce will issue an antidumping duty order directing CBP to assess, upon further instruction by Commerce, antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation, as discussed above in the "Continuation of Suspension of Liquidation" section.

Administrative Protective Order

This notice will serve as a final reminder to the parties subject to an administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

Notification to Interested Parties

This determination and this notice are issued and published pursuant to sections 735(d) and 777(i)(1) of the Act, and 19 CFR 351.210(c).

Dated: November 9, 2022.

Lisa W. Wang,

Assistant Secretary
for Enforcement and Compliance.

Appendix I

Scope of the Investigation

The products covered by this investigation are cold-polymerized emulsion styrene-butadiene rubber (ESB rubber). The scope of the investigation includes, but is not limited to, ESB rubber in primary forms, bales, granules, crumbs, pellets, powders, plates, sheets, strip, *etc.* ESB rubber consists of non-pigmented rubbers and oil-extended non-pigmented rubbers, both of which contain at least one percent of organic acids from the emulsion polymerization process.

ESB rubber is produced and sold in accordance with a generally accepted set of product specifications issued by the International Institute of Synthetic Rubber Producers (IISRP). The scope of the investigation covers grades of ESB rubber included in the IISRP 1500 and 1700 series of synthetic rubbers. The 1500 grades are light in color and are often described as “Clear” or “White Rubber.” The 1700 grades are oil-extended and thus darker in color, and are often called “Brown Rubber.”

Specifically excluded from the scope of this investigation are products which are manufactured by blending ESB rubber with other polymers, high styrene resin master batch, carbon black master batch (*i.e.*, IISRP 1600 series and 1800 series) and latex (an intermediate product).

The products subject to this investigation are currently classifiable under subheadings 4002.19.0015 and 4002.19.0019 of the Harmonized Tariff Schedule of the United States (HTSUS). ESB rubber is described by Chemical Abstracts Services (CAS) Registry No. 9003–55–8. This CAS number also refers to other types of styrene butadiene rubber. Although the HTSUS subheadings and CAS registry number are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.

Appendix II

List of Topics Discussed in the Issues and Decision Memorandum

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- III. Period of Investigation
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- V. Russia's Market Economy Status
- VI. Changes Since the *Preliminary Determination*
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- IX. Discussion of the Issues
 - Comment 1: How to Treat SIBUR's Sales of Expired ESBR and Sales Without Production Date Data Found at Verification
 - Comment 2: SIBUR's Inventory Carrying Costs and Total Sales Quantity and Value (Q&V) Reconciliation
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 - Comment 4: How to Treat SIBUR's Affiliated Party Transactions
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 - Comment 6: SIBUR's and TATNEFT's Payment Dates and Credit Expenses
 - Comment 7: TATNEFT's U.S. Sales Destinations
 - Comment 8: TATNEFT's General and Administrative (G&A) and Financial Expense – Packing Cost
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- X. Recommendation

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